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25X1 [REDACTED] PAK Hŏn-yŏng (2613/2009/3057)<sup>1</sup> and two other  
25X1 representatives of the North Korean government left P'yŏngyang by train and  
arrived in Peiping [REDACTED] The North Korean representatives  
discussed economic relations between the Chinese Communist government and  
North Korea, with the Chinese Communists, and [REDACTED] an agreement 25X1  
providing for economic assistance to North Korea by the Chinese Communists  
was concluded in Peiping. The text of the agreement is as follows:

"The government of the Korean People's Republic, for the purpose of fostering the economic development of the Korean People's Republic and the rehabilitation of its national power, and further for the purpose of securing stabilization of the internal economy, has discussed and consulted with the government of the Chinese People's Republic on the problem of financial, physical, and technical assistance. In this respect, the government of the Chinese People's Republic, in accordance with the resolution of the Supreme People's Council, has the conviction that the offer of aid for the advancement of mutual independence and security will enhance the friendly relations now in existence between the two nations. Therefore the governments of the Korean People's Republic and the Chinese People's Republic agree to the following articles by the authority vested in their representatives for the above stated purposes:

25X1 [REDACTED] at the city of Peiping, capitol of the Chinese People's Republic.

(signed) CHOU En-lai, representative, Chinese People's Republic  
PAK Hŏn-yŏng, representative, Korean People's Republic.

"Article I. The government of the Korean People's Republic will not only utilize effectively all resources within the republic, but will also use as efficiently as possible the aid offered by the Chinese People's Republic.

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"Article II. The governments of the Korean People's Republic and the Chinese People's Republic, for the purpose of mutual economic stabilization, will at the earliest possible date control the issue of all currencies.

"Article III. The governments of the Chinese People's Republic and the Korean People's Republic, for the purpose of the people's welfare, shall operate the productive facilities possessed by both governments so that maximum production may be secured. The government of the Chinese People's Republic, if necessary, shall offer all possible capable and efficient manpower resources to the government of the Korean People's Republic.<sup>2</sup>

"Article IV. The government of the Korean People's Republic, for the benefit of all non-farming households, in order that a minimum of two hop daily of stable food be made available, shall exert every possible effort for the collection of grain produced within the country.

"Article V. The government of the Chinese People's Republic, for the purpose of accomplishing this agreement, shall appoint one representative to the government of the Korean People's Republic. The Chinese representative so appointed shall assist the government of the Korean People's Republic to foster the economic development and reconstruction of the Korean People's Republic as soon as possible by effective use of the assistance offered by the Chinese People's Republic.

"Article VI. The government of the Korean People's Republic agrees that the Chinese representative shall be given all necessary privileges equal to those offered the diplomatic mission.

"Article VII. The government of the Korean People's Republic, to assure the successful performance of the duties and mission of the Chinese representative, shall offer this representative authority to visit and inspect all industrial facilities in Korea and shall obtain the necessary assistance for the representative as outlined in the authority of his mission. The Korean government shall also execute the necessary measures made in mutual understanding for his utilization of warehouses and other facilities in the pursuit of his duties. .

"Article VIII. The government of the Korean People's Republic shall work out an overall economic rehabilitation plan to stabilize the economy of the republic, provided that the primary important parts of this rehabilitation plan shall include the import-export plans which will be agreed upon by the representative of the Chinese People's Republic and the government of the Korean People's Republic.

"Article IX. The government of the Korean People's Republic, in order to secure the effective use of equipment and materials imported in accordance with the import-export plan and the effective use of domestic resources, shall employ, if it is deemed necessary, foreign technicians, provided, however, that intention of any such employment shall first be communicated to the Chinese representative.

"Article X. The governments of the Korean People's Republic and the Chinese People's Republic agree that the fact of the mutual aid in material and technical fields shall be reported entirely to the peoples of each republic.<sup>3</sup>

- 25X1A 1. [ ] Comment. PAK Hŏn-yŏng is the North Korean Minister of Foreign Affairs, and CHOU En-lai holds the same post in the Chinese Communist government. [ ] PAK attended a conference of the North Korean army staff in North Korea [ ] on the evening of which day he 25X1 [ ] leaving for Peiping.

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- 25X1A 2. ☐ Comment. Presumably the Chinese Communists offer of "efficient and capable manpower" refers to technical personnel; North Korea is sending between 5,000 and 8,000 laborers to Manchuria in exchange for 8,000 tons of flour, ☐ If the details of this agreement here reported are true, the Chinese Communists may be replacing the Soviets as the principal source of economic and technical assistance for the North Koreans. See also Article IX.
- 25X1A 3. ☐ Comment. Although it is probable that the fact an agreement has been signed has been or will be made public, it seems questionable whether Articles VI to IX, which indicate that wide authority has been given the Chinese Communist representative, would be publicized.

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